GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3671
ANSWERED ON:07.04.2003
REVIVAL OF MALVIKA STEEL IN JAGDISHPUR
VILAS BABURAO MUTTEMWAR

Will the Minister of STEEL be pleased to state:

(a) whether the Government propose to take over the management of Malvika Steel in Jagdishpur, Uttar Pradesh in view of their failure to clear the loan liability of the Industrial Finance Corporation of India(IFCI);

(b) whether IFCI have approached the Tata Iron and Steel Company (TISCO) and Steel Authority of India Limited (SAIL) for takin over the company and its revival;

(c) if so, whether TISCO and SAIL have agreed to take over the Malivika Steel and on what conditions;

(d) whether IFCI propose to provide further loan facilities to TISCO and SAIL for the revival of Malvika Steel;

(e) if so, the details thereof; and

(f) the steps taken by IFCI to recover the outstanding amount due to Malvika Steel?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Government do not propose to take over the management of Malvika Steel Ltd. (MSL).

(b) to (e): As part of the efforts for revival of MSL, Financial Institutions (FIs) / Industrial Finance Corporation of India (IFCI) hel informal discussions with Tata Iron and Steel Company(TISCO) and Steel Authority of India Limited (SAIL). However, they have no evinced interest. As such there is no proposal with IFCI to provide further loan facilities to TISCO and SAIL for the revival of MSL.

(f) In order to recover its dues, IFCI has already recalled its loans, invoked corporate and personal guarantees and has filed a recovery suit in Debt Recovery Tribunal(DRT), Delhi on 15th July, 2002. The DRT has since appointed a Receiver and has passed orders for interim sale of assets of MSL on 3rd October, 2002. Besides, IFCI is also making efforts to identify a party interested in providing necessary support for revival of MSL.